

## **OFFICE OF FOREIGN ASSETS CONTROL**

### **Global Terrorism Sanctions Regulations**

**(31 C.F.R. PART 594)**

### **Terrorism Sanctions Regulations**

**(31 C.F.R. PART 595)**

### **Foreign Terrorist Organizations Sanctions Regulations**

**(31 C.F.R. PART 597)**

## **GUIDELINES ON TRANSACTIONS WITH THE PALESTINIAN AUTHORITY**

Scope: OFAC sanctions against the Palestinian Authority affect only transactions by U.S. persons with the Palestinian Authority. Therefore, these sanctions generally do not prohibit U.S. persons from providing assistance to, or engaging in business dealings with, private individuals, corporations, or organizations in the West Bank or Gaza.

General Licenses: On April 12, 2006, OFAC issued 6 general licenses, available on OFAC's website and published in the *Federal Register* (71 *Fed. Reg.* 27199, May 10, 2006), authorizing U.S. persons to engage in certain transactions with the Palestinian Authority. No application is necessary to engage in activities authorized by a general license, nor is any notification to OFAC required.

Specific licenses: Before applying for a specific license, the applicant should check to see if all of the activities at issue are covered by the general licenses. In that case, no application is necessary. Specific licenses may be issued on a case-by-case basis to authorize U.S. persons to engage in the following types of transactions with the Palestinian Authority:

1. Assistance projects for critical food, health, or welfare aid that is distributed from Palestinian Authority-run facilities such as schools, hospitals and clinics.
2. In-kind donation of medicines, medical supplies and medical devices to hospitals, clinics or other health care facilities owned or operated by the Ministry of Health.
3. Donated medical services in the West Bank and Gaza involving the Ministry of Health.

4. Goods and services related to disease eradication.
5. Dealings with universities and other educational institutions in the West Bank and Gaza.
6. Goods and services relating to education, including teaching, in the West Bank and Gaza.
7. Provision to and receipt from the Palestinian Authority of informational materials.
8. Small-scale water projects in the West Bank and Gaza, for the benefit of municipalities not controlled by a Hamas mayor and/or a Hamas majority in the municipal council.

Specific license applications are more likely to receive favorable treatment when they meet all three of the following conditions: (1) a compelling case exists that there is no practical means to achieve the desired humanitarian goal outside of the proposed transactions with the Palestinian Authority; (2) the activities are designed to benefit directly persons in the West Bank and Gaza under circumstances in which, notwithstanding the practical need to involve the Palestinian Authority, the activities will not be subject to the control of the Palestinian Authority other than for routine administrative approvals; (3) the activities will not provide any significant material benefit, including technical advisory assistance, to the Palestinian Authority. The U.S. Government also will look favorably on those projects and activities that provide humanitarian goods or services, and activities that will stimulate private-sector commerce.

Note: Information on applying for specific licenses is set forth in § 501.801 of the Reporting, Procedures and Penalties Regulations, 31 C.F.R. Part 501. As stated in § 501.801, no particular form is required to apply for a license to engage in the transactions described in these Guidelines on Transactions with the Palestinian Authority. In such applications, however, the applicant should demonstrate how the proposed activity is consistent with the terms of this policy.

#### OFFICE OF FOREIGN ASSETS CONTROL

By Barbara C. Hammerle  
Barbara C. Hammerle  
Acting Director

Dated: July 17, 2006